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**TO:** Area Agencies on Aging**NO:** 22-19 PROGRAM MEMO**DATE ISSUED:** October 25, 2022**EXPIRES:** N/A**PROGRAMS AFFECTED:** Supportive Services – Title IIIB, Californians Nutrition Program – Title IIIC, Family Caregiver Support Program – Title IIIE**SUPERSEDES:** Any prior Administration Single Audit Report guidance**SUBJECT:** Area Plan Administration (APAD) Expense Single Audit Reporting**PURPOSE:** This Program Memo (PM) describes the methodology to be used by the Area Agencies on Aging (AAA) to report the APAD expenses on the Single Audit Report (SAR).**Background**

In prior years, Federal Administration funds were distributed by CDA and reported on the Federal Share of Costs page of the closeout reports and the budget displays by individual funding streams (IIIB, IIIC1, IIIC2, and IIIE) and were also reported on the SAR in the same method.

As described in [PM 20-09](#), the AP-2021 contract combined the Federal Fund Administration under one project code on the budget displays and the Federal Share of Costs page of the closeout reports. CDA Audits has noticed that the change on the budget display has created some inconsistencies in reporting on the SAR. This memo is created to ensure consistent SAR for all AAAs in regards to APAD expenditures.

General Guidance

For the 2022-23 budget displays, CDA Financial Management Branch (FMB) has provided the APAD allocation breakdown for each program. The allocation percentage is illustrated below in Table 1.

The APAD actual expenditures should be reported in the respective funding stream when reporting in the SAR. For example, if your total APAD expenses is \$500,000, then the amount of IIIB APAD expenses is calculated as $(30.53\% \times 500,000) = \$152,659$.

This would be reported on the line of the corresponding CFDA number combined with the Program expenses. See Table 1 for the CFDA numbers.

Table 1

Funding Stream	Allocation Percentage	CFDA Number
Title IIIB	30.53%	93.044
Title IIIC1	29.21%	93.045
Title IIIC2	27.34	93.045
Title IIIE	12.92	93.052

Going forward, all AAAs are to report the APAD on the SAR in this method. Please do not report all APAD expenses under a single funding stream on the SAR.

REMINDER

Due to the Major Disaster Declaration, AAAs and service providers have some additional flexibility in order to provide disaster relief services. For the current fiscal year (SFY 2021-22), AAAs may move supplemental pandemic relief funds from one service category to another without requesting a transfer. These supplemental pandemic relief funds include FFCRA, CARES Act, CAA, and ARPA funds. For all funds, regardless of whether there are flexibilities or not, AAAs shall report the funds on the SAR in the CFDA number the funds were **AWARDED** and not where the funds were **EXPENDED**.

Beginning in State Fiscal Year 2021-22, AAAs no longer have this blanket flexibility regarding Area Plan Older Americans Act funds. For Area Plan OAA funds, AAAs must submit all transfer requests via a budget approval request, regardless of the dollar amount. Justification for review and approval by CDA's program team for all transfers greater than 40 percent between C-1 and C-2 programs, and greater than 30 percent between III B and III C programs, must be submitted with the budget.

Please reference the question 10 on the "[Guidance for Area Agencies on Aging Regarding COVID-19](#)" document released in [Program Memo 21-26](#) and [Contract Release Memo 22-07](#) for released guidance on Area Plan OAA fund transfer requirements.

For questions, please contact the Audits and Risk Management Chief at 916-573-5487 or, via email at jeremy.jackson@aging.ca.gov.

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